

threaten 95 percent of crude oil and 60 percent of natural gas production from offshore federal lands. Louisiana's rapidly eroding wetlands are invaluable in absorbing the surge of storm events like Isidore. Without them, one can only imagine the damage a hurricane could wreak on South Louisiana and the nation's energy infrastructure.

One-third of the commercial fish harvested in the lower 48 States comes from Louisiana's coastal zone. As Louisiana's coastal wetlands disappear, so will these fisheries.

Louisiana's wetlands are home to the Nation's largest flyway, serving as habitat for more than five-million birds and many endangered species. As the wetlands wash away this habitat is lost. Also, they act as a buffer for the number one port system in the United States that moves the Nation's goods from middle America to world markets.

Louisiana takes pride in its role as the country's most crucial energy provider. Ours is a state rich in natural resources. However, given the contribution my State makes to the Nation, it is time for the Nation to carefully consider its deficient investment in South Louisiana and the Gulf Coast Region and to consider what would happen if, God forbid, a major hurricane travels the same path as Tropical Storm Isidore. The Land and Water Conservation Fund is just one example of a Federal revenue stream that will suffer. It is long past time for the Federal Government to adequately and fairly invest in a State that gives so much to the rest of the country.

As I said a few moments ago, Tropical Storm Isidore should serve as our wake-up call. The examples I mentioned today, the SELA flood control project, Louisiana Highway 1 and other highways such as Interstate 49, and our Nation's wetlands, are too important to ignore.

It is too early to tell what the final damage will be from Tropical Storm Isidore. However, one thing is guaranteed: it will not be the last. Let us act now to invest in the infrastructure necessary to protect the life and property of our citizens.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SENATE AGENDA

Mr. THOMAS. Mr. President, I rise to talk a little bit about what I think is the future of some of the things that are being talked about in terms of this Senate session which probably will expire in 2 weeks, and the many things that we have to do prior to that time.

Some of the things that are being talked about seem to me to be a little contradictory from time to time. I guess my hope is that we can together, of course, based on the leadership in

the Senate, set some priorities, make some decisions, and accomplish some of the things that are necessary for us to accomplish prior to the recess.

Clearly, we have to do something about homeland defense. I can't imagine anything that is more important to us than to complete this discussion and allow the President to establish what is necessary for homeland defense. It is interesting. It reminds us. This morning, for example, over in the Hart Senate Office Building, we were told we couldn't leave our offices and no one could come in because there was a suspicious package over there on the floor. It reminds us that there is indeed a continuing threat of terrorism which we need to do something about.

Clearly, we have to make some decisions with regard to our position on Iraq. Whatever that decision is, it seems to me it is terribly important that Congress join with the President, and that we make some decisions which cause something to happen there. Hopefully, it will be some kind of a peaceful settlement. But that isn't going to happen—and it hasn't happened for years—until we do something that is very definitive. We can do that.

We clearly have to do something about defense appropriations. I suspect that we will end up—and I have no problem with that—with a continuing resolution for the rest of the appropriations, none of which we have passed at this time, so they can continue at last year's level until whenever—November or February. Defense appropriations and military construction have to be changed because the demands are higher for more money, and we can't go on last year's numbers.

These certainly are some of the things we must do. Then we have to have this continuing resolution.

I hope we will get back to this matter of homeland defense. The President made a recommendation, and the House passed a bill. It is something that is unusual, it is something that is different, and it is something patterned after the threats up to now. I think it has to have management flexibility.

That has been one of the controversial points—organizational flexibility, putting together a Department made up of a number of different departments that have had these specific responsibilities and bring it together so it will be coordinated.

Some of the things we are finding that might have been done better prior to September 11 will be done better in the future. We can do that. We have to assign personnel responsibilities, do budget transfers, and do many of these things that pretty clearly need to be done.

I think one of the interesting things that has happened in recent times because of Iraq and terrorism discussions and home defense discussions is that on homeland defense we see an effort being made increasingly to shift the division from the economy to these issues. I think both of these issues are

very important. But when you have threats and you have terrorism, you aren't able to choose the time. When it is there, you have to do something about it.

Some of the talk, particularly in the media, I suppose comes basically from here. It has been interesting. One of the columnists in my home State of Wyoming—one of the few liberal columnists—has written one that I think is interesting. The first point he makes is that President Bush, in his campaign, was for bringing troops home. At that time, that was a reasonable thing to do. We were deployed over the world and beyond where we needed to be.

Now he said the contradiction is that he is willing to commit thousands of young people overseas. Times have changed. September 11 changed things. September 11 indicated to us that there is a different kind of threat from terrorism, and indeed a different kind of war in this world than there was before. Should our position change? It seems to me that it should.

Then he goes on to talk a little bit about the fact that the administration hasn't even shown the need to do this. It seems to me, if you go back and examine what happened in the last 10 years in Iraq, it is pretty clear that the agreements that were made after the 1991 war have not been lived up to. And that is the basis for the kind of threat we have now. It is pretty clear.

It is very interesting. He goes on to say we should never attack anyone unless we have been attacked. I wonder if he has forgotten the 3,000 people who died in New York City. It shows the different changes that have taken place. Years ago, an attack was by 17 divisions with tanks and landing barges. That is what you defended yourself against. That is not the case now. The case is you can bring some kind of a secret thing into a building in New York City and kill 3,000 people.

We are having some strange conversations—all of them valid. We need to go through it. We also hear from some of our friends on the other side of the aisle that we are no longer paying any attention to the economy.

I simply say that I believe we ought to review where we have been and where we could have been—and the number of things talked about here that have an impact on the economy that the leadership has not brought up, and has not been willing to go forward on. One of them is the budget. It is the first year in 20-some years that we haven't had a budget; that has something to do with an economy, of course.

Policy for energy: We have been moving along, but we still haven't gotten an energy policy. It is one of the things that most impacts both our economy and our safety against terrorism. We are hoping to get that. There is still no movement there.

Terrorism insurance on buildings, for example: We have reduced the ability of people to invest their money to help

the economy. We haven't done anything with that.

Tax permanency and doing something about the estate tax so people will be more willing to invest their money—they don't want to do that, and they haven't brought it up. We need to be sure to take those items out of the committees.

Limits on liability, tort reform—that has something to do with the economy—we could do that. The leadership has chosen not to bring that up. So there are many things where there seems to be a contradiction.

All of us want to pass homeland security legislation. No one in this Chamber does not want to accomplish that. And we want to make it work. To do that, we need to move forward. There is no one in this body who does not want to see our economy strengthened, making life better for everyone in this country.

We have to make some decisions. We have to have some movement instead of being 4 weeks on the same thing and having not accomplished it.

Mr. President, I certainly hope we can move forward. I think all of us want to do that. We have a couple weeks in which to do it. Now is the time.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Utah.

Mr. BENNETT. Mr. President, may I inquire as to the parliamentary situation? Are we in morning business?

The ACTING PRESIDENT pro tempore. We are in morning business for 20 more minutes, according to the order.

Mr. BENNETT. For another 20 minutes?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BENNETT. I thank the Chair and ask unanimous consent that I be recognized for the next 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE ECONOMY

Mr. BENNETT. Mr. President, we have had a lot of discussion on this floor about the economy recently. Since we are in an election period, we have a lot of discussion on the campaign trail about the economy, with a number of questions being raised—in raised voices—as often happens during a campaign.

One of the questions we have heard thunder forth on this floor is: Who lost the surplus? Where did the Government surplus go? Those who ask the question almost always answer it by saying: It was the Bush tax cut that destroyed the surplus. And it is the Bush tax cut that causes us now to be in deficit.

As I have contemplated responding to this, my mind has gone back to an old Peanuts cartoon. Charlie Brown and Lucy are having a conversation. In the first panel, Lucy is complaining about

various problems in her life. In the second panel, Charlie Brown says: Yes, Lucy, life does have its ups and downs. In the third panel, Lucy makes her position very clear. She says: I don't want any downs. I only want ups. And in the fourth panel, she is marching off saying: Nothing but ups, ups, ups. And Charlie Brown responds with the time-honored comment: Good grief.

There are many people who view our economy the same way Lucy does. They do not want ups and downs; they just want ups: a continuum, as far as the eye can see, of years that are better economically than the years before.

There was a period of time, in the 1990s, when we were in the longest sustained expansion of our history, where people were saying: Lucy has finally got her wish. We have nothing but ups.

During that period, I had the opportunity to talk with Alan Greenspan when he appeared before the Banking Committee. I asked him the question—not necessarily in Lucy Van Pelt terms—but I said to him: Have we repealed the business cycle? As we look at the strength of the economy, and all of the years that are ups, have we now reached the point when the business cycle will not kick in and we will not see a downturn?

Well, Mr. President, as you know, Alan Greenspan is one who spoke of the new economy, who spoke of structural changes in the economy as a result of the information age and the application of technology to our decision making. But when I asked him the question with respect to the business cycle, he smiled that wry smile of his and said: No, Senator, we have not repealed the business cycle; it will still manifest itself in the years ahead. And it has.

I brought this chart to the Chamber to demonstrate when the business cycle started to give us a “down.” You can see, in the third quarter of 1999, we were still in a strong “up” mode. In the fourth quarter, Christmastime, it was strong. While we did not do so well in the first quarter of 2000, we were still in the very strong “up” territory.

But by the third quarter of 2000, all of a sudden we were down dramatically. We were still not in a recession, because a recession technically is when the economy is shrinking rather than growing, but there was very anemic growth, indeed, of 0.6 percent in that quarter.

You get to the fourth quarter, Christmastime, where before you were up with a growth of 7.1 percent, and now you have a growth of 1.1 percent. It was not a recession technically, but it certainly felt like one.

Before, we had been in strong territory, through the 1990s and on into the first half of 2000, and suddenly we were down in this weak territory in the last half of 2000.

In the first quarter of 2001, we slipped into red territory and negative growth, minus 0.6 percent growth in the first quarter; minus 1.6 percent growth in the second quarter; coming back out of

the business cycle, minus 0.4 percent growth in the third quarter; and then, in the fourth quarter of 2001, back into positive territory again.

In the first quarter of 2002, we have strong growth again. Then we are back to 1.3 percent growth. But these cross-hatched areas show what the economists are predicting for the remainder of the year.

So we go from the stronger period of the ups that Lucy Van Pelt loves, then the business cycle comes again, we have a recession, and then we start to come out of it again.

To those who say: Where did the surplus go? and, Wasn't it eaten by the tax cut? I say the answer is very clear: It was eaten by the business cycle.

What causes the business cycle? What causes things that have been going well for so long to suddenly go wrong? There are several reasons. Let me try to discuss each one of them.

The first thing that causes the business cycle is, quite frankly, bad decisions—bad decisions on the part of policymakers in Government, bad decisions on the part of business men and women, bad decisions on the part of managers.

One of the reasons we have seen the severity of the business cycle tamp down a little, so that the swings are not nearly as wide as they used to be in my father's business days or my grandfather's business days, where we do not have anything like the panic of 1873, we do not have anything like the Great Depression of the 1930s anymore, is that business men and women have better access to information and, therefore, they make fewer mistakes.

The classic business cycle in the manufacturing world would run like this—this is oversimplified, but it illustrates the point. You open a factory, and you start to produce widgets. You can see I went to business school because in business school they always talk about widgets as the generic product.

All right. You open a factory. You start to make widgets. Let's say your widgets sell pretty well. As the sales reports come in, you, as the manager of the factory, the manager of that business, say: We need to build more capacity. We need to make more widgets because there is demand for widgets out there.

So you double your shift. You put on two shifts, and you are having twice as many widgets come out of your factory. Pretty soon, people say to you: The wear and tear on our machinery is such that we need to build a new factory to meet this demand for widgets. So you invest in a new factory, and you are back to one shift, but now you are producing something like three times as many widgets as you were before. And you are now in the “up” period because people who make the raw materials that go into widgets are selling them to you, they are paying their employees, they are buying raw materials